

Proposed amendments to AB 2006

Delete the entire bill except for sections 400.18 (a) and (b) and section 400.70. Add the following language:

Notwithstanding any other provision of law, the public utilities commission shall, on or before January 1, 2006:

(a) Re-establish end-use customers' right to enter into direct transactions, provided that end-use customers exercising that right bear a fair share of the Department of Water Resources' power purchase costs, as well as power purchase contract obligations incurred as of January 1, 2003, that are recoverable from electrical corporation customers in commission-approved rates. Prior to enactment of this section, the commission shall adopt rules and regulations that prevent cost shifting and do not allow the creation of new stranded assets.

(b) Adopt rules and regulations necessary to enforce resources adequacy requirements established pursuant to this section uniformly among all load serving entities, including establishing uniform accounting mechanisms to identify, count, track and verify all capacity needed to meet these resources adequacy requirements for each load serving entity.

Add new Section 400.5.

(a) To ensure that adequate investments are made in resources necessary to provide customers with reliable electric service, the commission shall authorize an electrical corporation to provide efficient cost-effective resources, including but not limited to: cost-effective energy efficiency and demand reduction resources, utility-owned and procured generation resources, new and repowered generation resources, cogeneration, and renewable generation resources, consistent with the electrical corporation's procurement plan adopted pursuant to Section 454.5.

(b) The commission shall, after public hearing, approve and thereafter maintain just and reasonable rates sufficient to ensure that the electrical corporation fully recovers the initial capital investment in utility owned resources or payments for contracted resources provided such investments are developed or procured pursuant to an open, transparent, competitive procurement process.

